

AMENDED IN SENATE MAY 12, 2010

AMENDED IN SENATE APRIL 19, 2010

SENATE BILL

No. 1427

Introduced by Senator Price

February 19, 2010

~~An act to amend Section 2929.3 of, and~~ *An act to add Sections 2929.4 and 2929.45 to, the Civil Code, relating to foreclosures.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1427, as amended, Price. Foreclosures: property maintenance.

Existing law, until January 1, 2013, requires a legal owner to maintain vacant residential property purchased at a foreclosure sale, or acquired by that owner through foreclosure under a mortgage or deed of trust. Existing law authorizes a governmental entity to impose civil fines and penalties for failure to maintain that property of up to \$1,000 per day for a violation. ~~Existing law provides that these statutory provisions do not preempt any local ordinances and prohibits a governmental entity from imposing fines on a legal owner under both these provisions and a local ordinance.~~

~~This bill would provide that these statutory provisions preempt any local ordinance and would further provide that the costs of nuisance abatement measures taken by a governmental entity authorized under these provisions, are the obligation of the legal owner and that these fines would be treated as a tax lien against the property in a foreclosure sale~~ *require a governmental entity, prior to imposing a fine or penalty for failure to maintain a vacant property that is subject to a notice of default, that is purchased at a foreclosure sale, or that is acquired through foreclosure, to provide the owner of that property with a notice of the violation and an opportunity to correct the violation. This notice*

requirement would not apply if the governmental entity determines that a specific condition of the property threatens public health or safety. The bill would further provide that the costs of nuisance abatement measures taken by a governmental entity with regard to property that is subject to a notice of default, that is purchased at a foreclosure sale, or acquired through foreclosure, shall not exceed the actual and reasonable costs of nuisance abatement and. This bill would also require a governmental entity to adopt a schedule of the costs of nuisance abatement prior to the collection of those costs. This bill would further provide that any fines or penalties imposed by a local ordinance for failure to maintain property, subject to a notice of default, that has not been purchased at a foreclosure sale or acquired through foreclosure under a mortgage or deed of trust, are the obligation of the owner of record at the time of the violation and that any lien imposed against that property shall attach to the parcel upon recordation of that lien.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 2929.4 is added to the Civil Code, to read:*
- 2 2929.4. (a) *Prior to imposing a fine or penalty for failure to*
- 3 *maintain a vacant property that is subject to a notice of default,*
- 4 *that is purchased at a foreclosure sale, or that is acquired through*
- 5 *foreclosure under a mortgage or deed of trust, a governmental*
- 6 *entity shall provide the owner of that property with a notice of the*
- 7 *violation and an opportunity to correct that violation.*
- 8 (b) *This section shall not apply if the governmental entity*
- 9 *determines that a specific condition of the property threatens public*
- 10 *health or safety.*
- 11 *SEC. 2. Section 2929.45 is added to the Civil Code, to read:*
- 12 2929.45. (a) *An assessment or lien to recover the costs of*
- 13 *nuisance abatement measures taken by a governmental entity with*
- 14 *regard to property that is subject to a notice of default, that is*
- 15 *purchased at a foreclosure sale, or that is acquired through*
- 16 *foreclosure under a mortgage or deed of trust, shall not exceed*
- 17 *the actual and reasonable costs of nuisance abatement.*
- 18 (b) *A governmental entity shall adopt a schedule of costs for*
- 19 *nuisance abatement measures described in subdivision (a) prior*
- 20 *to collection of those costs.*

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Senate, April 19, 2010. (JR11)**

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